

Max Baucus (D-Mont.)

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Floor Statement of Senator Max Baucus (D-Mont.) Regarding Provisions to Promote Entrepreneurship in the Small Business Jobs Act

Mr. President, on another matter, this afternoon, the Senate will return once again to the small business jobs bill. This bill would help steer our economy towards recovery. It would create jobs. It would do so by fostering the creativity and ambition of the American entrepreneur.

Some of America's greatest firms were born in the midst of economic crisis.

In 1976, the United States economy was reeling from recession. America's unemployment hovered around eight percent. That year, two guys named Steve started selling computer kits out of a garage in Palo Alto, California.

They founded a small business. An angel investor helped them with \$250,000 in seed money. Today, we know that business as Apple. Last month, Apple became the largest technology company in the world.

It's not an unusual story. It's a story told again and again in America. Of the 30 companies that make up the Dow Jones Industrial average, 16 were started during a recession or depression. Proctor & Gamble, Disney, McDonald's, Microsoft, General Electric, Johnson & Johnson, and Costco all first opened their doors during economic downturns.

To foster entrepreneurship and create this recession's success stories, we need to create the right conditions. This small business jobs bill would do just that.

American entrepreneurs of all kinds are a key driver of job creation.

Take for example Tiffany Lach. Eighteen months ago, Tiffany opened Sola Café in downtown Bozeman, Montana, with the help of a Small Business Administration loan. When she opened her doors, she had 19 employees. Today, she has 42 employees, and loads of loyal customers.

We need to support entrepreneurs so that small businesses like Tiffany's can continue to grow and create more jobs.

According to a recent report, nearly all net job creation in America from 1980 to 2005 occurred in firms less than five years old. In fact, without start-ups, net job creation would have been negative almost every year for the past three decades.

In 2007, more than two-thirds of the jobs created were in firms between one and five years old.

As our economy emerges from the Great Recession, we need to ensure that American entrepreneurs have the resources, financing, and opportunities that they need to create jobs and realize their dreams.

This small business jobs bill would help American entrepreneurs access the capital that they need by increasing the incentives for investors to purchase and hold equity in start-ups.

Under this bill, for the rest of 2010, any investor who invested in a small business and held that investment for at least five years would pay no income tax on the gains from the sale of that small business stock.

The bill would also reward entrepreneurship by doubling the amount of start-up expenses that an entrepreneur could immediately deduct this year. The bill would increase that amount from \$5,000 to \$10,000. This would free up capital that could be used to invest in other aspects of the business.

And this bill would devote more than \$5 million to the U.S. Trade Representative to expand opportunities for U.S. small businesses in foreign markets. This would help American goods and services to reach new customers around the world. This would create jobs, right here in America. And this would help the USTR to enforce our trade agreements to ensure that American start-ups can compete on a level playing field.

I urge my colleagues to support this small business jobs bill. Let us pass this bill to help America's entrepreneurs. Let us pass this bill to encourage the development of new American small businesses. And let us pass this bill to create jobs, right here in America.

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